

**FIRST AMENDED AND RESTATED STRATEGIC PARTNERSHIP AGREEMENT
BETWEEN THE CITY OF AUSTIN AND THE CASCADES MUNICIPAL UTILITY
DISTRICT NO. 1**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS §

This First Amended and Restated Strategic Partnership Agreement Between the City of Austin, Texas and the Cascades Municipal District No. 1, (“**Amended SPA**”) is made and entered into by and between the **City of Austin, Texas**, a home-rule municipality located in Travis, Hays, and Williamson Counties, Texas, acting by and through its duly authorized City Manager (“**City**”) and the **Cascades Municipal Utility District No. 1** (“**District**”), a political subdivision of the State of Texas created under Chapter 8477, Subtitle F, Title 6, Texas Special District Local Laws Code (“**Enabling Legislation**”) and Chapters 49 and 54 of the Texas Water Code, acting by and through its duly authorized Board of Directors under the authority of Section 43.0751 of the Texas Local Government Code. Onion Associates, Ltd., a Texas limited partnership (“**Owner**”) has joined in this Amended SPA for the purpose of evidencing its consent to the City’s annexation of its land, as contemplated by this Amended SPA, and as a beneficiary of the terms and provisions of this Amended SPA, including without limitation the termination of the Consent Agreement (as hereinafter defined). In this Amended SPA, the City, Owner and the District are sometimes individually referred to as a “**Party**” and collectively referred to as the “**Parties**.”

RECITALS

- A. The District is a municipal utility district that has been created under the Enabling Legislation and currently contains 135.796 acres of land, as more fully described on the attached **Exhibit A** (“**Land**”). The City has consented to the creation of the District by Ordinance No. 20140807-128 adopted August 7, 2014 (“**Consent Ordinance**”) and under the terms of the Consent Agreement between the City, the District and the Owner dated effective as of August 28, 2014 (“**Consent Agreement**”).
- B. The Consent Agreement requires, among other things, that the District negotiate and enter into a strategic partnership agreement with the City. The City and the District entered into that certain “Strategic Partnership Agreement between the City of Austin and the Cascades Municipal Utility District No. 1,” effective as of August 28, 2014 (“**SPA**”). Section 11.01 of the Consent Agreement provides that the Consent Agreement and its obligations will terminate upon the City’s full purpose annexation of the entire District. Section 11.03 of the Consent Agreement provides the Consent Agreement and its obligations may be terminated by the mutual written agreement of the City, the Owner and the District as to the Land. The City, Owner and the District are authorized and desire to enter into this Amended SPA to establish the terms and conditions upon which the City will annex all of the land within the District for full purposes and the District will be dissolved, and to terminate the Consent Agreement and all of its obligations.
- C. The Enabling Legislation provides that (i) any agreement between the District and the City related to the City’s consent to the creation of the District is valid and enforceable; and (ii) a strategic partnership agreement between the City and the District may provide for a term of any number of years.
- D. The District has, by formal action, approved this Amended SPA in open session at a meeting held in accordance with the Open Meetings Act.

E. The City has by vote of Council approved on final reading the terms of this Amended SPA at a meeting held in accordance with the Open Meetings Act.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Amended SPA, and other good and valuable consideration, the City and the District agree that the original SPA is amended and restated in full as follows:

ARTICLE I.
DEFINITIONS, PURPOSE, AND LEGAL AUTHORITY

Section 1.01. Confirmation of Recitals; Legal Authority.

The City and the District confirm that the recitals set forth above are true and correct, and that this Amended SPA has been duly approved and adopted in accordance with all applicable requirements of Section 43.0751, Texas Local Government Code, and as authorized by the Enabling Legislation. The District confirms and agrees that this Amended SPA relates to the City's consent to the creation of the District, and is valid and enforceable.

Section 1.02. Definitions.

In addition to the terms defined elsewhere in this Amended SPA, when used in this Amended SPA, each of the following terms will have the meaning indicated below:

Amended SPA means this First Amended and Restated Strategic Partnership Agreement between the City and the District.

Board means the Board of Directors of the District.

City Annexation Notice means the notice of the City's intent to annex the District, to be recorded in the Official Public Records of Travis County, Texas attached as **Exhibit B**.

City Council means the City Council of the City.

City Manager means the City Manager of the City or his designee.

Commission means the Texas Commission on Environmental Quality, or its successor agency.

Conversion Date means October 1, 2018; the date on which the Land is converted to full purpose annexation status, and the District is dissolved pursuant to Section 2.04 of this Amended SPA.

District means Cascades Municipal Utility District No. 1.

Effective Date means October 1, 2018.

Land means the land within the District's boundaries, as those boundaries may be modified from time to time with the consent of the City.

Notice means any formal notice or communication given by one Party to this Amended SPA to the other.

PAZ Director means the City's Director of Planning and Zoning Department, or his successor.

Reclaimed Water means domestic or municipal wastewater which has been treated to a quality suitable for a Type I Reclaimed Water Use pursuant to the requirements of the Commission

under 30 Texas Administrative Code Chapter 210, and any other applicable regulatory entities with jurisdiction.

Service Plan means the service plan attached as **Exhibit C** which specifies the municipal services to be provided by the City after the City's full annexation of land within the District.

Type I Reclaimed Water Use means the use of Reclaimed Water where contact between humans and the Reclaimed Water is likely.

Water and Wastewater Facilities means any water or wastewater improvements, including Reclaimed Water improvements, or undivided interests in such improvements, designed and constructed to serve the District, which, upon the Conversion Date, are under construction or have been completed but have not been conveyed to the City for ownership, operation, and maintenance.

Section 1.03. Purpose of Amended SPA.

The purpose of this Amended SPA is to set forth the terms of and conditions of full purpose annexation of the Land by the City, the terms on which the District will be dissolved after the full purpose annexation of the Land by the City, and to establish the mutual agreement of the City, District and Owner to terminate the Consent Agreement and all of its obligations.

Section 1.04. Effective Date of Amended SPA; Recordation of Amended SPA; Binding Effect.

This Amended SPA will become effective on the Effective Date. After the Effective Date, the City will record this Amended SPA in the Official Public Records of Travis County, Texas, and, except as provided herein, the terms of this Amended SPA will constitute covenants running with the land comprising the Land and will become binding on each current and future owner of any land included within the Land. Notwithstanding the foregoing, upon full purpose annexation of the Land by the City, the parties hereto acknowledge and agree that (i) the terms, provisions and obligations of this Amended SPA shall not bind any future owner of a subdivided and platted lot improved with residential structure, (ii) this Amended SPA shall not run with any such platted lot that is so improved, and (iii) the City shall execute a full release of this Amended SPA for recordation in the Official Public Records of Travis County, Texas in a form reasonably required by Owner, its successors or assigns, within ten (10) days of a written request to do so submitted by the Owner, its successor or assigns.

Section 1.05. Notices.

As required by the Enabling Legislation, the City has filed a notice in the Official Public Records of Travis County, Texas describing the City's intention to annex the District and the anticipated dates of the City's annexation of the District for limited and full purposes, a copy of which is attached as **Exhibit B**.

ARTICLE II.
FULL PURPOSE ANNEXATION

Section 2.01. Full Purpose Annexation.

When the Land is converted to full purpose annexation status on October 1, 2018 in accordance with this Amended SPA and as provided by 43.0751, Texas Local Government Code, the conversion may be effected by City Council adoption of an ordinance including the land in

question within the full purpose city limits provided that such ordinance is in accordance with this Amended SPA. Except as set out in this Amended SPA, no additional procedural or substantive requirements of State or local annexation law will apply to such annexation or to the annexation ordinance.

Section 2.02. Consent Agreement.

Pursuant to Section 11.03 of the Consent Agreement, the Consent Agreement, and all of its terms, conditions, provisions and obligations shall terminate, expire and be of no further force or effect on the Conversion Date. Owner, its successors and assigns, shall have no obligations with respect to the Consent Agreement on the Conversion Date. The City shall execute a full release and notice of termination of the Consent Agreement for recordation in the Official Public Records of Travis County, Texas in a form reasonably required by Owner, its successors or assigns, within ten (10) days of a written request to do so submitted by the Owner, its successor or assigns.

Section 2.03. Service Plan.

Following the Conversion Date and full purpose annexation, the City will provide additional municipal services within the Land in accordance with the Service Plan attached as **Exhibit C**, which will be the Service Plan for the Land.

Section 2.04. Dissolution of the District Following Full Purpose Annexation.

Upon the Conversion Date, the District will be dissolved as provided in Section 43.075 of the Texas Local Government Code.

Section 2.05. Authority of the City Upon Full Purpose Annexation.

Upon the Conversion Date and full purpose annexation in accordance with this Amended SPA, the City will have all of the authority and power within the Land that the City has in all other areas within the City's incorporated city limits, including the power to levy and collect ad valorem property taxes and sales taxes. Full purpose annexation does not affect the current interim zoning classification of "I-SF-2 – Interim Single Family Residential" previously established for the Land.

Section 2.06. Zoning Classification and Rights of District Residents upon Full Purpose Annexation.

As authorized in Section 43.0751(f)(5) of the Texas Local Government Code, the City ordinance adopting full purpose annexation shall maintain the interim zoning classification of "I-SF-2 – Interim Single Family Residential" previously established for the Land. The Owner may make subdivision applications, without seeking an initial zoning of the Land, provided such revisions are consistent with such interim zoning classification. Following the Conversion Date, the residents of the Land will be citizens of the City for all purposes and will have all of the rights, privileges, and responsibilities accorded to citizens residing in all other areas within the City's incorporated city limits.

ARTICLE III.
DISTRICT ASSETS, LIABILITIES, AND OBLIGATIONS

Section 3.01. Assumption of the District's Outstanding Obligations, Liabilities, and Assets Upon Full Purpose Annexation.

The District represents that it has not issued any ad valorem or revenue bonds and that it does not have any bonded indebtedness. Upon the Conversion Date:

(a) The Water and Wastewater Facilities, if any, will become the property of the City and the City will thereafter own, operate, and maintain the Water and Wastewater Facilities; and

(b) Onion Associates, Ltd. will assume all of the District's other outstanding obligations, indebtedness, liabilities, and assets. The foregoing obligation shall not run with Land or be binding any subsequent owner of the Land.

Section 3.02. District Contracts.

On the Conversion Date, any contracts or agreements between the District and any governmental entity or private service provider which relate to any functions of the District that will be assumed and performed by the City will be assumed by the City. Without the prior approval of the City Manager or his designee, which approval will not be unreasonably withheld, conditioned, or delayed, the District will not enter any contracts that extend beyond the Conversion Date that (a) require the payment of a fee for their termination, or (b) are not terminable upon 60 days' notice or less. The prohibition contained in the preceding subsection (b) will not apply to District contracts with utility providers.

Section 3.03. No Reimbursement of Developer Upon Full Purpose Annexation.

The District represents that as of the Effective Date of this Amended SPA, the District does not have any agreements to reimburse a developer (as such term is defined in the Texas Water Code, Chapter 49) for costs and expenses, including costs of construction, which are eligible for reimbursement under the rules of the Commission.

Section 3.04. Transfer of Certain Easements and Real Property to City.

Within 90 days after the Conversion Date, the District will convey to the City, at no cost to the City, any real property and/or easements owned or held by the District which contain Water and Wastewater Facilities that are to be transferred to the City in accordance with this Amended SPA, if any. All conveyances will be by appropriate instrument, acceptable in form and substance to the City and the District.

ARTICLE IV.
DEFAULT AND REMEDIES FOR DEFAULT

Section 4.01. Notice of Default; Opportunity to Cure.

If a Party defaults in the performance of any obligation under this Amended SPA, the non-defaulting Party may give written notice to the other Party, specifying the alleged event of default and extending to the defaulting Party 30 days from the date of the notice in order to cure the default complained of or, if the curative action cannot reasonably be completed within 30 days, 30 days to commence the curative action and a reasonable additional period to diligently pursue the curative action to completion.

Section 4.02. Dispute Resolution.

If any default is not cured within the curative period specified in Section 4.01, the Parties agree to use good faith, reasonable efforts to resolve any dispute among them by agreement, including engaging in mediation or other non-binding alternative dispute resolution methods, before initiating any lawsuit to enforce their respective rights under this Amended SPA. The Parties will share the costs of any mediation or arbitration equally. The Parties further agree that neither Party is not obligated to resolve any dispute based on an arbitration decision under this Amended SPA if the arbitration decision compromises that Party's sovereign or governmental immunity.

Section 4.03. Other Legal or Equitable Remedies.

If the Parties are unable to resolve their dispute through mediation or arbitration, the nondefaulting Party will have the right to enforce the terms and provisions of this Amended SPA by a suit seeking specific performance or such other legal or equitable relief as to which the nondefaulting Party may be entitled. Any remedy or relief described in this Amended SPA will be cumulative of, and in addition to, any other remedies and relief available to such Party.

Section 4.04. Reservation of Rights.

To the extent not inconsistent with this Amended SPA, each Party reserves all rights, privileges and immunities under applicable law.

Section 4.05. Applicable Laws; Waiver of Sovereign Immunity Relating to Claims by the City.

Except as expressly set forth in this Amended SPA, this Amended SPA is not intended to waive or limit the applicability of laws, regulations and ordinances applicable to the District, nor does it waive the jurisdiction or sovereignty of any governmental body. Upon the issuance of bonds by the District, the District will be deemed to have waived sovereign immunity in connection with any suit by the City for the purpose of adjudicating a claim for breach of this Amended SPA, as provided in the Enabling Legislation.

Section 4.06. Changes in Law Affecting the Rights of the City.

(a) The City may terminate this Amended SPA, or seek any other remedy, on 30 days' written notice to the District if, during the term of this Amended SPA, the District directly sponsors, requests, lobbies for, or secures the adoption of state or federal legislation that impairs, undermines, restricts, eliminates, or otherwise adversely affects the rights of the City under this Amended SPA.

(b) Notwithstanding Subsection (a), the District's tender of comments or analyses with regard to proposed legislation or rules of a government agency affecting this Amended SPA will not give rise to a right of the City to terminate this Amended SPA pursuant to this Section.

ARTICLE V.
MISCELLANEOUS PROVISIONS

Section 5.01. Effective Date; Counterparts.

This Amended SPA may be executed in multiple counterparts.

Section 5.02. Entire Agreement.

There are no agreements, oral or written, between the Parties which are in conflict with this Amended SPA. This Amended SPA and the Consent Agreement, together with all attachments, constitute the entire agreement between the Parties with respect to the annexation of the District. Except as expressly provided by this Amended SPA and the Consent Agreement, no representations or agreements other than those specifically included in this Amended SPA and the Consent Agreement will be binding on the City, the Owner, or the District.

Section 5.03. Notice.

Any Notice may be given by: (i) delivering the Notice to the Party to be notified; (ii) depositing the Notice in the United States Mail, certified, return receipt requested, postage prepaid, addressed to the Party to be notified; or (iii) sending the Notice by telecopier or electronic mail, with confirming copy sent by hand delivery or by certified mail to the Party to be notified. Notice deposited in the United States mail in the manner described above will be deemed effective on the earlier of (i) the date of actual receipt or (ii) three days after the date of its deposit in the mail. Notice given in any other manner will be effective only if and when received by the Party to be notified. For purposes of Notice, the addresses of the Parties will, until changed as provided in this section, be as follows:

City of Austin:

City Manager
City of Austin
P.O. Box 1088
Austin, Texas 7867
Fax: (512) 974-2833

with required copy to:

City Attorney
City of Austin
P.O. Box 1088
Austin, Texas 78767
Fax: (512) 974-2894

District:

Cascades Municipal
Utility District No. 1
c/o Lloyd Gosselink Rochelle & Townsend, P.C.
Attn: David Klein
816 Congress, Suite 1900
Austin, Texas 78701
Fax: (512) 472-0532

with required copy to:

Onion Associates, Ltd.
c/o Beckett, Tackett, & Bagwell
Attn: Carolyn Beckett
7800 N. Mopac Expy, Suite 210
Austin, Texas 78759
Fax: (512) 436-9741

A Party may change its address for purpose of Notice by providing Notice of the new address to the other Party in accordance with this Section.

Section 5.04. Time.

Time is of the essence in all matters pertaining to the performance of this Amended SPA. If any date or period provided in this Amended SPA ends on a Saturday, Sunday, or legal holiday, the applicable period will be extended to the first business day following the Saturday, Sunday, or legal holiday.

Section 5.05. Waiver.

Any failure by a Party to this Amended SPA to insist upon strict performance by another Party of any provision of this Amended SPA will not be deemed a waiver of that provision or any other provision of this Amended SPA and a Party will have the right at any time to insist upon strict performance of all of the provisions of this Amended SPA.

Section 5.06. Applicable Law and Venue.

The construction and validity of this Amended SPA will be governed by the laws of the State of Texas (without regard to conflict of law principles). Venue will be in Travis County, Texas.

Section 5.07. Incorporation of Exhibits by Reference.

The following exhibits are attached to this Amended SPA, and are incorporated into this SPA by reference:

- Exhibit A - The Land
- Exhibit B - City's Annexation Notice
- Exhibit C - Service Plan

Section 5.08. Assignability, Successors, and Assigns.

This Amended SPA will not be assignable by the District or the City without the prior written consent of the City Council and the Board of the District. The Owner may assign its rights in and to this Amended SPA in its sole discretion. This Amended SPA will be binding upon and inure to the benefit of the Parties and their respective representatives, successors and permitted assigns.

Section 5.09. Amendment.

This Amended SPA may only be amended in writing upon the approval of the City Council, the Board of the District, and the Owner, or its successors or assigns.

Section 5.10. Further Documents and Acts.

Each of the Parties agrees that, following the Effective Date, it will, upon the request of any other Party, execute such further documents and do such further acts and things as may reasonably be necessary to effectuate the terms of this Amended SPA.

Section 5.11. Conflict.

This Amended SPA and the Consent Agreement are intended to be harmonious and consistent with each other and, to the extent of any potential conflict, the Parties agree that the Consent Agreement and this Amended SPA will, to the extent possible, be read and interpreted in a manner that resolves any such potential conflict and effects the intent of the Parties in

connection with the other agreement. If there is a conflict between the Consent Agreement and this Amended SPA which cannot be resolved, the terms of this Amended SPA will control.

DRAFT

DISTRICT:

**CASCADES MUNICIPAL UTILITY
DISTRICT NO. 1**

By: _____
Gorge Roman, President
Board of Directors

Date: _____

STATE OF TEXAS

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COUNTY OF TRAVIS

Before me the undersigned notary on _____, 2018 personally appeared Gorge Roman, President of the Board of Directors of Cascades Municipal Utility District No. 1, known to me through valid identification to be the person whose name is subscribed to the preceding instrument and acknowledged to me that the person executed the instrument in the person's official capacity for the purposes and consideration stated in the instrument.

Given under my hand and seal of office.

[seal]

Notary Public, State of Texas

ATTEST:

By: _____
_____, Secretary
Board of Directors

Date: _____

CITY:

CITY OF AUSTIN, TEXAS

By: _____
Name: Spencer Cronk
Title: City Manager
Date: _____

STATE OF TEXAS

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COUNTY OF TRAVIS

Before me the undersigned notary on _____, 2018 personally appeared Spencer Cronk, City Manager of the City of Austin, Texas, known to me through valid identification to be the person whose name is subscribed to the preceding instrument and acknowledged to me that the person executed the instrument in the person's official capacity for the purposes and consideration stated in the instrument.

Given under my hand and seal of office.

[seal]

Notary Public, State of Texas

APPROVED AS TO FORM:

By: _____
Name: Lee Simmons
Title: Assistant City Attorney

OWNER:

Onion Associates, Ltd., a Texas limited partnership

By: Onion Newco, LLC, a Texas limited liability company, its General Partner

By: _____
Carolyn Beckett, Manager

Date: _____

STATE OF TEXAS

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COUNTY OF TRAVIS

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Before me the undersigned notary on _____, 2018 personally appeared Carolyn Beckett, Manager of Onion Newco, LLC, a Texas limited liability company and general partner of Onion Associates, Ltd., a Texas limited partnership, known to me through valid identification to be the person whose name is subscribed to the preceding instrument and acknowledged to me that the person executed the instrument in the person's official capacity for the purposes and consideration stated in the instrument.

Given under my hand and seal of office.

[seal]

Notary Public, State of Texas

EXHIBIT A

C7a-2018-0001

Area to be annexed.

(Approximately 135.796 acres of land out of the Santiago Del Valle Grant, Abstract No. 24 in Travis County, Texas)

(Portion of St. Alban's Addition)

(Unplatted Land)

LEGAL DESCRIPTION

LEGAL DESCRIPTION FOR TWO TRACTS OF LAND, THE TRACT HEREINAFTER DESCRIBED AS TRACT ONE CONTAINING APPROXIMATELY 117.188 ACRES OF LAND OUT OF THE SANTIAGO DEL VALLE GRANT, ABSTRACT NO. 24 IN TRAVIS COUNTY, TEXAS AND THE TRACT HEREINAFTER DESCRIBED AS TRACT TWO CONTAINING APPROXIMATELY 18.6 ACRES OF LAND OUT THE SANTIAGO DEL VALLE GRANT, ABSTRACT NO. 24 IN TRAVIS COUNTY, TEXAS; OF WHICH APPROXIMATELY 135.796 ACRES OF LAND ARE TO BE MADE PART OF THE CITY OF AUSTIN, SAID APPROXIMATELY 135.796 ACRES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TRACT ONE

BEING all of that called 117.188 acre tract of land described as "Grantor 1 Tracts: Tract 1" and conveyed to Onion Associates, Ltd. by Correction Joint Partnership Contribution General Warranty Deeds recorded in Document No. 2006146663 and Document No. 2006236625 of the Official Public Records of Travis County, Texas. Said 117.188 acre tract also being a portion of that called 135.796 acre tract of land described in Texas Senate Bill 1867, Section Two as "The Cascades Municipal Utility District No. 1".

TRACT TWO

BEING approximately 18.6 acres of land and consisting of a tract being a portion of Lot 1, St. Alban's Addition, a subdivision of record in Book 86, Page 88C of the Plat Records of Travis County, Texas, all of that called 8.17 acre tract of land

described as "Grantor 1 Tracts: Tract 2" and conveyed to Onion Associates, Ltd. by Correction Joint Partnership Contribution General Warranty Deeds recorded in Document No. 2006236625 of the Official Public Records of Travis County, Texas, all of that called 2.273 acre tract of land described as "Grantor 1 Tracts: Tract 3" and conveyed to Onion Associates, Ltd. by Correction Joint Partnership Contribution General Warranty Deeds recorded in Document No. 2006146663 and Document No. 2006236625 of the Official Public Records of Travis County, Texas and all of the 2 acre tract of land being a remainder tract out of that called 16.88 acre tract of land described as "Tract One" and conveyed to Protestant Episcopal Church Council of the Diocese of Texas by General Warranty Deed recorded in Volume 7640, Page 106 of the Deed Records of Travis County, Texas. Said 18.6 acre tract being a portion of a called 135.796 acre tract of land described in Texas Senate Bill No. 1867, Section Two as "The Cascades Municipal Utility District No. 1", Said 18.6 acre tract also being all of said 135.796 acre tract, save and except a called 117.188 acre tract of land described as "Grantor 1 Tracts: Tract 1" and conveyed to Onion Associates, Ltd. by Correction Joint Partnership Contribution General Warranty Deeds recorded in Document No. 2006146663 and Document No. 2006236625 of the Official Public Records of Travis County.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared".

LEGAL DESCRIPTION: Mary P. Hawkins
03-12-2018



APPROVED: Mary P. Hawkins, RPLS No. 4433
Quality Management Division
Department of Public Works
City of Austin

REFERENCES

Austin Grid F-10 & G-10
TCAD MAP 4-4818

EXHIBIT B

REVISED NOTICE TO PURCHASERS OF PROPERTY IN CASCADES MUNICIPAL UTILITY DISTRICT NO. 1

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

The City of Austin, Texas (the “City”) hereby gives notice, in accordance with Section 8477.302 (b), Texas Special District Local Laws Code, as follows:

1. The City has consented to the creation of Cascades Municipal Utility District No. 1 (the “District”) over the land described on the attached **Exhibit A**, which is incorporated herein by reference.
2. The City has approved a Strategic Partnership Agreement (“SPA”) with the District for the purpose of establishing terms and conditions upon which the City will annex all of the land within the District for limited and full purposes.
3. On _____, 2018, the City and District approved a First Amended and Restated Strategic Partnership Agreement (“Amended SPA”) for the purpose of establishing terms and conditions upon which the City will annex all of the land within the District for full purposes.
4. In accordance with the Amended SPA; Title 6, Subtitle F, Chapter 8477, Texas Special District Local Laws Code; and Section 43.0751, Texas Local Government Code, the City has the authority and intention to annex all of the land within the District for full purposes at such time as the City finds such annexation to be feasible.

Any interested person may request a copy of the Amended SPA or the Consent Agreement by contacting the City of Austin Planning and Zoning Department, P.O. Box 1088, Austin, Texas 78767-1088. Questions concerning these agreements may be directed to the District, or, after full purpose annexation of the District, the City of Austin Planning and Zoning Department.

(The remainder of this page has been intentionally left blank, and the signature page or pages follow.)

CITY OF AUSTIN, TEXAS

By: _____

STATE OF TEXAS

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COUNTY OF TRAVIS

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Before me the undersigned notary on _____ 20____
personally appeared _____,

_____ of the City of Austin, Texas, known
to me through valid identification to be the person whose name is subscribed to the preceding
instrument and acknowledged to me that the person executed the instrument in the person's
official capacity for the purposes and consideration stated in the instrument.

Given under my hand and seal of office.

[seal]

Notary Public, State of Texas

(SEAL)

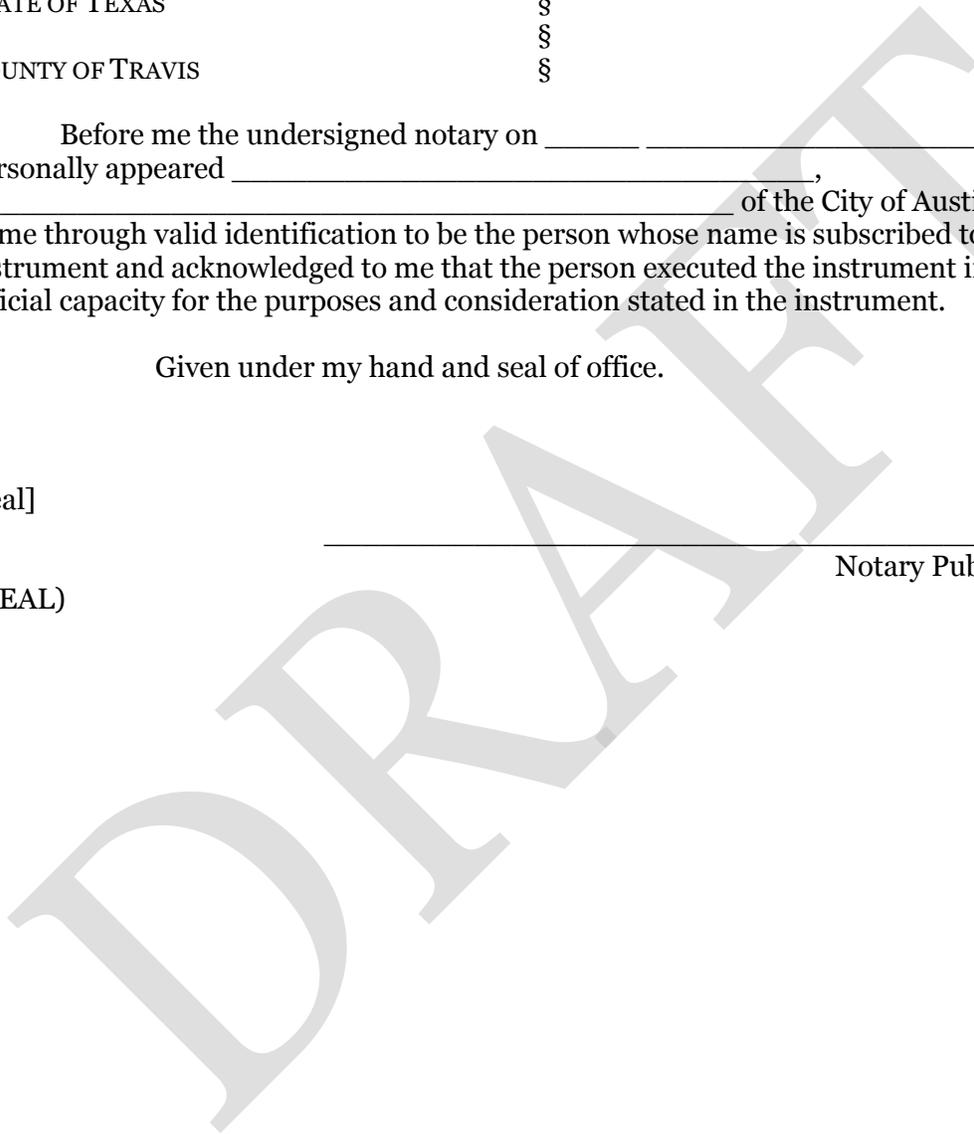


EXHIBIT C



CITY OF AUSTIN ANNEXATION SERVICE PLAN

Case Name: Cascades MUD No. 1
Subject to the Amended Strategic Partnership Agreement
Date: October 1, 2018

INTRODUCTION

This Service Plan ("Plan") is made by the City of Austin, Texas ("City") in accordance with a First Amended and Restated Strategic Partnership Agreement ("Amended SPA") between the City and Cascades Municipal Utility District No. 1 ("MUD") pursuant to Texas Local Government Code Section 43.0751. This Plan relates to the annexation to the City of land ("annexation area") known as the Cascades MUD No. 1 area. The MUD was created under Chapter 8477, Subtitle F, Title 6, Special District Local Laws Code, and Chapters 49 and 54 of the Texas Water Code. The annexation area is located in southeastern Travis County and is currently in the City's limited purpose jurisdiction.

The annexation area is described by metes and bounds in **Exhibit A**, which is attached to this Plan and to the annexation ordinance of which this Plan is a part. The annexation area is also shown on the map in **Exhibit A**.

EFFECTIVE TERM

This Plan shall be in effect for a ten-year period commencing on the effective date of the annexation, unless otherwise stated in this Plan. Renewal of this Plan shall be at the option of the City. Such option may be exercised by the adoption of an ordinance by the City Council, which refers to this Plan and specifically renews this Plan for a stated period of time.

INTENT

It is the intent of the City that services under this Plan shall include full municipal services as described in the Texas Local Government Code.

The City reserves the right guaranteed to it by the Texas Local Government Code to amend this Plan if the City Council determines that changed conditions or subsequent occurrence or any other legally sufficient circumstances exist under the Texas Local Government Code or other Texas laws to make this Plan unworkable or obsolete or unlawful.

SERVICE COMPONENTS

In General. This Plan includes three service components: (1) the Early Action Program, (2) Additional Services, and (3) a Capital Improvement Program.

As used in this Plan, providing services includes having services provided by any method or means by which the City extends municipal services to any other area of the City. This may include causing or allowing private utilities, governmental entities and other public service organizations to provide such services by contract, in whole or in part. It may also include separate agreements with associations or similar entities.

EARLY ACTION PROGRAM

The following services will be provided in the annexation area commencing on the effective date of the annexation, unless otherwise noted.

- a. Police Protection. The Austin Police Department (“*APD*”) will provide protection and law enforcement services in the annexation area.
- b. Fire Protection. The Austin Fire Department (“*AFD*”) will provide emergency and fire prevention services in the annexation area.
- c. Emergency Medical Service. The City of Austin/Travis County Emergency Medical Services (“*EMS*”) Department will provide emergency medical services in the annexation area.
- d. Solid Waste Collection. The Austin Resource Recovery Department will provide services in the annexation area. Services will be provided by City personnel or by solid waste service providers under contract with the City.
- e. Maintenance of Water and Wastewater Facilities. Water and wastewater service will be provided to areas that are not within the certificated service area of another utility through existing City facilities located within or adjacent to the area, unless otherwise mutually agreed upon by the utilities. The facilities will be maintained and operated by Austin Water as governed by standard policies and procedures, and under the provisions of the attached City service extension policy as amended from time to time. Water and wastewater services to new development and subdivisions will be provided according to the standard policies and procedures of Austin Water, which may require the developer of a new subdivision or site plan to install water and wastewater lines. The extension of water and sewer service will be provided in accordance with the attached water and wastewater service extension policy as amended from time to time.
- f. Maintenance of Roads and Streets, Including Street Lighting. The Public Works Department will maintain public streets over which the City has jurisdiction.

The Transportation Department will also provide regulatory signage services in the annexation area.

Street lighting will be maintained in accordance with the City of Austin ordinances, Austin Energy criteria and state law.

- g. Maintenance of Parks, Playgrounds, and Swimming Pools. At this time there are no public recreation facilities in the annexation area.

Recreational facilities and area amenities, including parks, pools, splash pads, community centers, and medians, that are privately owned, maintained, or operated will be unaffected by the annexation.

- h. Maintenance of Any Other Publicly-Owned Facility, Building, or Service. Should the City acquire any other facilities, buildings, or services necessary for municipal services located within the annexation area, an appropriate City department will provide maintenance services for them.

ADDITIONAL SERVICES

Certain services, in addition to the above services, will be provided within the annexation area if they are provided elsewhere in the city limits. They are as follows:

- a. Watershed Protection. The Watershed Protection Department will provide drainage services in accordance with and as limited by applicable codes, laws, ordinances and special agreements. Drainage planning and maintenance are fee-based services.
- b. Planning and Development Review. The Planning and Zoning Department and the Development Services Department will provide comprehensive planning, land development and building review and inspection services in accordance with and as limited by applicable codes, laws, ordinances and special agreements.
- c. Code Compliance. In order to attain compliance with City codes regarding land use regulations and the maintenance of structures, the City's Code Compliance Department will provide education, cooperation, enforcement and abatement relating to code violations
- d. Library. Upon annexation, residents may utilize all Austin Public Library facilities.
- e. Public Health, Social, and Environmental Health Services. The Austin/Travis County Health and Human Services Department will continue to work in partnership with the community to promote health, safety, and well being.
- f. Austin Energy. Austin Energy will continue to provide electric utility service to all areas which the City is authorized to serve by the Public Utility Commission of Texas.
- g. Anti-litter Services. Austin Resource Recovery will provide anti-litter services in the annexed area. Anti-litter is a fee-based service.
- h. Other Services. All other City Departments with jurisdiction in the area will provide services according to City policy and procedure.

CAPITAL IMPROVEMENTS PROGRAM

The City will initiate the construction of capital improvements necessary for providing municipal services for the annexation area as necessary.

Each component of the Capital Improvement Program is subject to the City providing the related service directly. In the event that the related service is provided through a contract service provider, the capital improvement may not be constructed or acquired by the City but

may be provided by the contract provider. The City may also lease buildings in lieu of construction of any necessary buildings.

The annexation area will be included with other territory in connection with planning for new or expanded facilities, functions, and services. No capital improvements are necessary at this time to provide the following services:

- Police Protection
- Fire Protection
- Emergency Medical Services
- Solid Waste Collection
- Water and Wastewater Facilities
- Roads and Streets
- Street Lighting
- Parks, Playgrounds and Swimming Pools
- Watershed Protection

AMENDMENT: GOVERNING LAW

This Plan may not be amended or repealed except as provided by the Texas Local Government Code or other controlling law. Neither changes in the methods or means of implementing any part of the service programs nor changes in the responsibilities of the various departments of the City shall constitute amendments to this Plan, and the City reserves the right to make such changes. This Plan is subject to and shall be interpreted in accordance with the Constitution and laws of the United States of America and the State of Texas, the Texas Local Government Code, and the orders, rules and regulations of governmental bodies and officers having jurisdiction.

FORCE MAJEURE

In case of an emergency, such as force majeure as that term is defined in this Plan, in which the City is forced to temporarily divert its personnel and resources away from the annexation area for humanitarian purposes or protection of the general public, the City obligates itself to take all reasonable measures to restore services to the annexation area of the level described in this Plan as soon as possible. Force majeure shall include, but not be limited to, acts of God, acts of the public enemy, war, blockages, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, droughts, tornadoes, hurricanes, arrest and restraint of government, explosions, collisions and other inability of the City, whether similar to those enumerated or otherwise, which is not within the control of the City. Unavailability or shortage of funds shall not constitute force majeure for purposes of this Plan.

SUMMARY OF THE WATER AND WASTEWATER UTILITY SERVICE EXTENSION POLICY

The following information is a summary of the Austin Water Service Extension Policy, as set out in Chapter 25-9 of the Austin Land Development Code.

Application for Service

Water and wastewater service is only provided to lots that have been properly subdivided and platted or are a legal lot. If a lot does not have accessible City water or wastewater infrastructure

within 100 feet from the property's boundary or the existing City infrastructure cannot meet the needs of the proposed development, the owner must make an application for an extension of service to the Director of Austin Water for review. The Director may approve an application in certain circumstances; otherwise, City Council approval is required.

Cost Participation

If the City requires oversizing of the proposed infrastructure, with City Council approval, the City may reimburse the developer for the City's proportionate share of the cost of constructing certain facilities. The actual calculation of the cost participation amounts, including limits and the schedules for the payments, are included in the City's Land Development Code.

Impact Fee Waiver

For lots served by an existing well or septic system at the time of annexation, the owner will not be required to pay impact fees (also known as capital recovery fees) if an Austin Water tap permit is obtained by the property owner on or before the second anniversary of the date of annexation. The owner will still be required to pay other applicable connection fees.

This policy is set by the City Council and can be amended in the future by ordinance.